



General Assembly

January Session, 2011

**Committee Bill No. 127**

LCO No. 2533

\*02533SB00127CE\_\*

Referred to Committee on Commerce

Introduced by:  
(CE)

**AN ACT CONCERNING UPDATES TO THE NEIGHBORHOOD ASSISTANCE ACT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 12-631 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2011*):

4 (a) "Business firm" means any business entity authorized to do  
5 business in the state and subject to the tax due under the provisions of  
6 chapter 207, 208, 209, 210, 211, [or] 212 or 213a.

7 Sec. 2. Section 12-632 of the general statutes is repealed and the  
8 following is substituted in lieu thereof (*Effective October 1, 2011*):

9 (a) (1) Except as otherwise provided in subdivision (2) of this  
10 subsection, on or before July first of each year, any municipality  
11 desiring to obtain benefits under the provisions of this chapter shall,  
12 after approval by the legislative body of such municipality, submit to  
13 the Commissioner of Revenue Services a list on a form prescribed and  
14 made available by the commissioner of programs eligible for

15 investment by business firms under the provisions of this chapter.  
16 Such activities shall consist of providing neighborhood assistance; job  
17 training or education; community services; crime prevention; energy  
18 conservation or construction or rehabilitation of dwelling units for  
19 families of low and moderate income in the state; donation of money  
20 to an open space acquisition fund of any political subdivision of the  
21 state or any nonprofit land conservation organization, which fund  
22 qualifies under subsection (h) of section 12-631 and is used for the  
23 purchase of land, interest in land or permanent conservation restriction  
24 on land [ ] which is to be permanently preserved as protected open  
25 space; or any of the activities described in section 12-634, 12-635 or 12-  
26 635a. Such list shall indicate, for each program specified: The concept  
27 of the program, the neighborhood area to be served, why the program  
28 is needed, the estimated amount required to be invested in the  
29 program, the suggested plan for implementing the program, the  
30 agency designated by the municipality to oversee implementation of  
31 the program and such other information as the commissioner may  
32 prescribe. Each municipality shall hold at least one public hearing on  
33 the subject of which programs shall be included on such list prior to  
34 the submission of such list to the commissioner.

35 (2) If any municipality desiring to obtain benefits under the  
36 provisions of this chapter submits to the Commissioner of Revenue  
37 Services a list on a form prescribed and made available by the  
38 commissioner of programs eligible for investment by business firms  
39 under the provisions of this chapter after the July first due date, the  
40 commissioner shall include the list of programs on the list compiled by  
41 the commissioner under subsection (b) of this section if the  
42 municipality submits such list no later than fifteen days following such  
43 July first due date, provides an explanation for its failure to submit  
44 such list on or before such July first due date and submits proof that  
45 both the public hearing required by subdivision (1) of this subsection  
46 to be held on the programs to be included on such list and the  
47 approval of such list by the legislative body of such municipality

48 required by subdivision (1) of this subsection occurred on or before  
49 such July first due date.

50 (b) The Commissioner of Revenue Services shall, on or before  
51 September first of each year, compile a list, categorized by town and by  
52 estimated amount of tax credit, of the programs submitted by  
53 municipalities for investment pursuant to the provisions of subsection  
54 (a) of this section. The commissioner shall print sufficient quantities of  
55 such list to facilitate its distribution to business firms upon their  
56 request.

57 (c) Any business firm which desires to engage in any of the activities  
58 or programs approved by any municipality pursuant to subsection (a)  
59 of this section and listed pursuant to subsection (b) of this section may  
60 apply to the Commissioner of Revenue Services for a tax credit in an  
61 amount as provided in section 12-633, 12-634, 12-635 or 12-635a. The  
62 proposal for such credit which shall be made on a form prescribed and  
63 made available by the commissioner, shall set forth the program to be  
64 conducted, the neighborhood area to be invested in, the plans for  
65 implementing the program and such other information as said  
66 commissioner may prescribe. Such proposals shall be submitted to the  
67 commissioner on or after September fifteenth but no later than October  
68 first of each year. Such proposals shall be approved or disapproved by  
69 the Commissioner of Revenue Services based on the compliance of  
70 such proposal with the provisions of this chapter and regulations  
71 adopted pursuant to this chapter. The commissioner may only approve  
72 proposals received between September fifteenth and October first of  
73 each year. If, in the opinion of the Commissioner of Revenue Services,  
74 a business firm's investment can, for the purposes of this chapter, be  
75 made through contributions to a neighborhood organization as  
76 defined in subsection (h) of section 12-631, tax credits may be allowed  
77 in amounts as provided in section 12-633, 12-634, 12-635 or 12-635a.

78 (d) Programs which may reasonably be expected to last for more  
79 than one year but not more than two consecutive years may be

80 included on the lists submitted by municipalities pursuant to the  
81 provisions of subsection (a) of this section. Proposals made in response  
82 to such programs pursuant to the provisions of subsection (c) of this  
83 section may require investments to be made in more than one year.  
84 Such proposals shall be considered as a single entity by the  
85 Commissioner of Revenue Services, and, if approved, the  
86 commissioner shall reserve appropriate amounts of prospective years'  
87 tax credits for application to such program and proposed investments  
88 in the year or years in which such investments are actually made.

89 (e) (1) Nothing in this chapter shall be construed to prevent two or  
90 more business firms from participating jointly in one or more  
91 programs under the provisions of this chapter. Such joint investment  
92 programs shall be submitted, and acted upon, as a single proposal by  
93 the business firms involved.

94 (2) In the event that two or more neighborhood organizations which  
95 are owned by the same entity receive investments which would  
96 otherwise qualify for a credit under this chapter, only one such  
97 investment shall be eligible for such credit.

98 (f) The sum of all tax credit granted pursuant to the provisions of  
99 section 12-633, 12-634, 12-635 or 12-635a shall not exceed [seventy-five]  
100 two hundred fifty thousand dollars annually per business firm and no  
101 tax credit shall be granted to any business firm for any individual  
102 amount invested of less than two hundred fifty dollars.

103 (g) No tax credit shall be granted to any bank, bank and trust  
104 company, insurance company, trust company, national bank, savings  
105 association, or building and loan association for activities that are a  
106 part of its normal course of business.

107 (h) Any tax credit not used in the period during which the  
108 investment was made may be carried backward for the two  
109 immediately preceding calendar or fiscal years until the full credit has  
110 been allowed.

111 (i) In no event shall the total amount of all tax credits allowed to all  
112 business firms pursuant to the provisions of this chapter exceed five  
113 million dollars in any one fiscal year. Three million dollars of the total  
114 amount of tax credits allowed shall be granted to business firms  
115 eligible for tax credits pursuant to section 12-635.

116 [(j) Except with respect to the acquisition of open space land, no tax  
117 credit shall be granted to any business firm unless such firm furnishes  
118 proof to the Commissioner of Revenue Services that the amount of  
119 funds expended for charitable purposes and for the support of  
120 programs which would be eligible for assistance pursuant to this  
121 chapter by such business firm is not less in the year for which such  
122 credit is sought than the amount expended in the year immediately  
123 preceding the year for which such credit is sought.]

124 [(k)] (j) No organization conducting a program or programs eligible  
125 for funding with respect to which tax credits may be allowed under  
126 this chapter shall be allowed to receive an aggregate amount of such  
127 funding for any such program or programs in excess of one hundred  
128 fifty thousand dollars for any fiscal year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	12-631(a)
Sec. 2	<i>October 1, 2011</i>	12-632

**Statement of Purpose:**

To make the credit available to partnerships, limited liability companies and S corporations, to increase the allowable annual tax credit amount per business firm, and to delete requirement that the business firm increase its contribution to a program in order to be eligible for a subsequent tax credit.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*

Co-Sponsors: SEN. LOONEY, 11th Dist.

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